

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6899

BILL NUMBER: HB 1549

DATE PREPARED: Dec 17, 1998

BILL AMENDED:

SUBJECT: Registration of kegs of beer.

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FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires the registration of the seller and buyer of kegs of beer.

Effective Date: July 1, 1999.

Explanation of State Expenditures: This bill provides that the Alcoholic Beverage Commission (ABC) may fine or suspend a beer dealer's permit if the dealer fails to follow the keg registration procedures. This may increase the ABC's expenses by a minimal amount. These additional expenses can be absorbed within the ABC's current budget.

Explanation of State Revenues: This bill provides that the ABC may fine a beer dealer if the dealer fails to follow the keg registration procedures. The maximum penalty for a beer dealer is \$1,000 per violation. Fines are deposited in the ABC's Enforcement and Administration Fund.

This bill also provides that an individual who possesses a keg of beer without an identification marker, possesses a keg with an altered identification marker, or knowingly provides false information on a receipt commits a Class A misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund could increase. The maximum fine for a Class A misdemeanor is \$5,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, county or municipal court (courts of record), 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

Explanation of Local Expenditures: A Class A misdemeanor is punishable by up to one year in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: If additional court actions occur and a guilty verdict is entered, local

governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed, and if collected would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed, and if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Alcoholic Beverage Commission.

Local Agencies Affected: Trial courts; local law enforcement agencies.

Information Sources: Don Okey, Alcoholic Beverage Commission, 232-2463.